

REDRAFT

INCOME TAX INFORMATION

Any profit from the sale of tangible personal property (e.g., automobiles, electrical appliances, furniture, jewelry, by U. S. personnel stationed abroad is considered taxable income by the U. S. Internal Revenue Service. Such profit is taxable as a capital gain (Profits from currency conversions are also taxable, but as ordinary income).

Any individual who has sold property abroad at a profit but did not report the income, or reported it inaccurately, must file an amended tax return for the year in which the profit was realized. If the property sold was not in fact personally owned by the seller, although it appeared to be so owned (quasi-personal property), the transaction should not be reported. In such instance, any inquiry by IRS should be reported to the General Counsel of this organization, who will review the circumstances of the sale with appropriate officials of the IRS.